

**GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT**

SERP – Extension of Benefit of Pavalavaddi Scheme to Self Help Group Members who are accessing loans from Mandal Samakhya and Mutually Aided Thrift Cooperative Societies (MACTs) – Orders – Issued.

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**PANCHAYAT RAJ AND RURAL DEVELOPMENT (RD.II)  
DEPARTMENT**

G.O.Ms.No. 441  
Dated:07.11.2008

Read:

1. CEO, SERP Lr.No.8268/RDSHG.III(PV)/08, Dt:6.11.2008

**ORDER:**

Chief Executive Officer, Society for Elimination of Rural Poverty(SERP) in the reference 1<sup>st</sup> read above, reported that Society for Elimination of Rural Poverty has been implementing “ Pavala Vaddi Scheme” since 2004 to enable Self Help Group (SHG) members to secure loans from the banks at subsidized interest rate i.e. 3% per annum. Since the introduction of the Pavala Vaddi Scheme, 100% repayment rate in respect of loans taken from the Banks is achieved. This has resulted in significant step up in credit flow from the commercial banks to SHGs.

2. Chief Executive Officer, SERP has informed that under AP DPIP & APRPRP, Mandal Samakhya (MSs) are provided with Community Investment Fund (CIF) for on-lending to the members through Village Organisations (VOs) and SHGs. The CIF is given as loan to the members at 9 to 12% interest rate. The Mandal Samakhya (MSs) are effectively managing the recycling of the CIF by closely monitoring the repayment of CIF. The repayment rate is varying from 60-100% across the mandals in the state.

3. CEO, SERP has requested permission for extending the benefit of Pavala Vaddi to the SHG members who are promptly repaying the CIF loans.

4. Government after careful consideration of the matter, hereby accord permission to the Chief Executive Officer, SERP to extend benefit of Pavalavaddi to the SHG members who have fully repaid (100% repayment) the CIF loans to the Mandal Samakhya as per the repayment schedule. This dispensation is also extended to the Mutually Aided Cooperative Thrift Societies (MACTs) promoted by the DRDAs, provided the repayment rate is 100%. CEO, SERP is advised to issue detailed guidelines to Project Directors, DRDA on extending Pavalavaddi for implementation of the initiative. The Project Director, DRDAs shall strictly follow the guidelines to be issued by CEO, SERP, on this initiative.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA

PRADESH)

K.RAJU

PRINCIPAL SECRETARY TO GOVERNMENT (RD)

To:  
The Chief Executive Officer, SERP.  
The Director, SHGs.  
All the District Collectors.  
All the Project Directors, DRDA.

//FORWARDED :: BY ORDER//

SECTION OFFICER